2 1 USA V. M. O'NEILL 2 PROCEEDINGS 3 4 5 6 THE CLERK: United States vs. Michael O'Neill, 7 this is case No. 15CR151EAW. MR. PIMENTEL: Good morning. Frank Pimentel for 8 9 the United States. 10 MR. LATONA: Judge, Joe LaTona on behalf of Mr. 11 O'Neill, who has waived his right to be present at these 12 proceedings. 13 THE COURT: Yes. Your client waived his right to 14 be present? 15 MR. LATONA: Yes, he has, your Honor. I met with 16 him at the Chautauqua County Jail on Tuesday. Actually I had a 17 jurat prepared, I'm not a notary because I don't want to get 18 conflicted off of cases and what not, they didn't have a notary 19 there, but --20 THE COURT: You are not a notary? 21 MR. LATONA: No, I let it lapse because that could 22 be a conflict if there is an issue if you have to testify, and 23 then see you later lawyer. But, Judge, he did sign a document, 24 which I did see him sign it, it is just not a Jurat.

THE COURT: So the record should reflect that Mr.

USA V. M. O'NEILL 1 2 LaTona has just handed to me a waiver from Mr. O'Neill 3 indicating that he knowingly and willingly waives his right to 4 be present. And you are stating on the record that you 5 witnessed your client sign this? 6 MR. LATONA: Absolutely, and went through it 7 carefully with him, your Honor. 8 THE COURT: Very good. So we will waive his 9 presence for this appearance today. We are here today, Mr. 10 LaTona, because you filed a motion to appeal from Judge Scott's 11 detention order entered August 5, 2015. Let me just clarify 12 something as we begin, and that is I know in your recitation of 13 the facts, you discussed the more recent appearance in front of 14 Judge Scott to make sure that your client obtained the fitting 15 for the prosthetic device that he needs. Is that still an issue or has that been resolved? 16 17 Judge, yeah, I think it has been MR. LATONA: 18 resolved. That, as a result of my last motion, Ms. Smith of 19 the Marshal Service spoke to the individuals in D.C., who, 20 basically, had reversed their earlier decision not to pay for 21 They are going to pay for it, and it has been resolved, 22 and I thanked the local people here for staying on top of 23 everything. As best I know, everything is fine. I believe if

not this week, maybe next week or at some point he is going to

be fitted with the device. When I saw him the other day, he is

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1 USA V. M. O'NEILL 2 in a wheelchair, there is a plastic covering to his leg stump, 3 that, as I understand it, is standard procedure for the interim 4 until he will be fitted for and hopefully receive the 5 prosthetic device. 6 THE COURT: Okay. So, the motion that you filed 7 in regards to Judge Scott's ruling on the government's right on standing to make a detention motion. 8 9 MR. LATONA: Yeah. Judge, if I can, and I went 10 through the law on it, and I think it is Title 18 Section 11 3145(b) that talks about the review of a detention order, so 12 it's technically not an appeal. I don't think we get to the 13 appeal process until your Honor rules one way or the other. So 14 that is what it is, but I think, yes, and it's devoted, at this 15 point, to the detention portion of it, Judge. And I quess if 16 you want to hear my argument on it. THE COURT: Yes, go ahead. 17 18 MR. LATONA: I think the one thing, and I don't 19 believe we will have any opposition, is the statute and the 20 case law indicates that your Honor has to provide a de novo 21 review. And Judge Skretny in the Goba case, the Lackawanna Six 22 case, 240 F. Supp. 2d at 245 indicated that "a Magistrate 23 Judge's determination is not entitled to any deference." In 24 that one, I was involved in the Lackawanna six case and we had

an extensive detention hearing before Judge Schroeder. And it

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2 was a lot more than a proffer concerning the information that 3 the Government brought forth. They were able to bring in the 4 travel, the tickets to Pakistan, certain of the information 5 putting them in Afghanistan, and things of that kind. And I 6 submit, Judge, and, again, we can come back, it may well be, 7 and I am sure the Government would not argue the point that should you feel in your discretion to have some further 8 9 submissions of fact of law or maybe even a hearing, but our 10 position has consistently been that under prevailing Second 11 Circuit law, and U.S. Supreme Court law, and even the Federal 12 Rules of Criminal Procedure that they all militate in favor of 13 release in this particular case. 14 Judge, when we go back to the original complaint 15 in this case, there was an affidavit from an ATF agent, there 16 was an explosion, people were summoned to the scene, it was 17 apparently advisable that other law enforcement agencies be 18 called in. And where we started is that this agent swore in 19 his affidavit for the complaint that he saw what appeared to be 20 and IED, the improvised explosive device. Now, Judge, since 21 1971, in the Posnjak case, the Second Circuit vacated that -- I 22 think it was a plea -- or was it a trial? Oh, that's right, it 23 was Judge Curtain. But basically they also addressed the

legislative history behind this particular statute. And

basically what they said is this statute and the definition of

1 USA V. M. O'NEILL 2 a "destructive device" only means those items which have no 3 legitimate use. In fact, and that is right, that was the case 4 where a government expert came in, and when he was being 5 examined he said, "if you are going to use it to blow up a tree 6 stump, that's not a destructive device because that is a legitimate use." 7 THE COURT: But in that case, isn't it correct 8 9 that the commercial dynamite that the defendant was trying to 10 set off was not -- in the form that it was -- was not capable 11 of being used for a destructive purpose. In other words, 12 additional modifications would have needed to be made to the 13 dynamite. 14 MR. LATONA: I don't know that. I mean, you can 15 throw a stick of dynamite and if it is anywhere near a fire or 16 whatever, it could explode. And if you start off with a 17 Molotov cocktail and want to finish the job, so there you go, 18 you could throw it and that would be that. 19 THE COURT: My reading of the cas subsequent to 20 that, the United States vs. Bubar, 567 F. 2d 192, Second 21 Circuit case from 1977, seems to distinguish the Posnjak case, 22 among other reasons, on that ground. In other words, you are 23 right, a person cannot be charged with a destructive device 24 with just a component of a destructive device. If your client, 25 in this instance, was being charged with these crimes just

1 USA V. M. O'NEILL 2 because he had a box of nails, that isn't sufficient. My 3 understanding of the Government's position is that these items 4 that were found, I guess a total of seven alleged destructive 5 devices, including one that had at least nails and shrapnel in it, was an entire -- you know, it was ready to be lit. If you 6 7 look at Government's Exhibit 3, it has a fuse on the end of it. MR. LATONA: That's their position, Judge. And I 8 9 think -- I don't think any of the Second Circuit case law after 10 Posnjak ever attempted to even distinguish their discussion of 11 the legislative history, which included their express 12 recognition that, in essence, to be a device or a similar 13 device under the destructive device definition, it's got to be 14 military ordinance. Merely because it can explode is not 15 enough. And also, Judge, we have the statutory exclusion as, 16 well, whereas if an item, albeit if all of the components are 17 there, but if it is designed or redesigned not intending to be 18 a weapon, then it doesn't fall within the statute. And, Judge 19 one of the things that -- and it's not a big secret to the 20 Government -- I brought Posnjak to the attention of the 21 Magistrate Judge --22 THE COURT: Just so that you are all aware, I have 23 listened to the audio transcript of the first appearance in 24 front of Judge Scott, I think it was July 30th, and that issue 25 was raised. And I also read the transcript in the subsequent

1 USA V. M. O'NEILL 2 appearance in front of Judge Scott where this issue was 3 addressed. So, I am familiar with it. 4 MR. LATONA: Okay, Judge. Well, here is the 5 thing, one would think, you have access to the ATF and probably 6 every other law enforcement in the country, and yet what we 7 don't have is some affidavit from an expert that would address what these issues were in Posnjak: A, it would have no 8 9 legitimate use; and B --10 THE COURT: But according to that line of 11 reasoning, Mr. LaTona, then in any kind of detention, if I 12 understand what your argument is, any kind of detention hearing 13 that the Government is relying on this statute to support 14 detention, you would need -- and you have some kind of homemade 15 device, you would need some kind of expert testimony to support the notion that this is in fact a destructive device? 16 17 MR. LATONA: Absolutely not, no, I'm not saying 18 that at all, Judge. I am not saying that. For example, certain things, such as Molotov cocktails, which were the items 19 20 in the cases cited by the government, we know what that is, you 21 don't need an expert. A Molotov cocktail is either to blow 22 someone or something up, this is not what we have here. And, 23 quite frankly, Judge, you have it from the standpoint of 24 Posnjak and the statutory exclusion. Not even an affidavit 25 that says there is no way that this design could ever be

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2	construed as having a legitimate purpose. Why don't we have
3	that, Judge? And I'm not saying in every case, I'm saying in
4	this case, with all due respect, that the issue of the
5	statutory exclusion in <i>Posnjak</i> should have been addressed. And
6	I'm asking your Honor, with all due respect, and again with
7	this de novo review to open it up with a hearing, the extent of
8	which would be up to you, if you accept affidavits, as long as
9	we get the opportunity to review them, consider them and
10	respond to them, you may want to have an evidentiary hearing.
11	It's up to you, Judge, because what I submit, respectfully, is
12	that Magistrate Judge Scott had no factual or legal predicate
13	for him concluding that there is no non-malevolent use of this
14	item. There is no basis in the record, absolutely none.
15	THE COURT: But you would agree there is a basis
16	in the record to conclude, based on the preponderance of the
17	evidence, which I think it would just be preponderance that the
18	Government would have to show it was a destructive device to
19	address that issue, but you would agree there is evidence that
20	at the scene was items that were homemade items that were
21	explosive devices that contained nails?
22	MR. LATONA: Well, sure, and even Magistrate Scott
23	said, "well, what would be the legitimate use," get rid of a
24	tree stump. What do you use on a tree - metal. And it's a
25	cleaner cut when you resolve it at the stump level.

USA V. M. O'NEILL 1 2 THE COURT: With the nails that are in there? 3 MR. LATONA: Sure. 4 There are a number of cases, I realize THE COURT: neither party has cited, I can't think of the cites for them, 5 6 that hold that under circumstances like this where you have a 7 destructive device that's homemade or was comprised of shrapnel 8 or what have you, that it clearly meets the definition of 9 destructive device under the statute. I will give you some 10 cites right now. United States vs. Waits, 581 F. Appx. 432, 11 Fifth Circuit 2014, The court said, "regardless of the 12 co-defendant's stated intent to use the device to blow up 13 stumps, its design demonstrates that it was an explosive pipe 14 capable of releasing shrapnel, which meets the definition of 15 destructive device." United States vs. Hammond, 371 F. 3d 776, it's an Eleventh Circuit case from 2004. The court said there, 16 17 "even a cardboard tube explosive device, however, could be 18 designed to include tacks, nails or other small metal pieces. 19 A device so designed would be explosive "plus" and would appear 20 to support a jury's finding that the device was designed as a 21 weapon." And then United States vs. Johnson, 152 F. 3d 618, 22 Seventh Circuit case from 1998, "there appears to be no 23 question, the devices in question had all the ingredients to 24 make a destructive device, including shrapnel." There is also 25 a Northern District of Iowa case, it's unreported, 2013 Westlaw

- 1 USA V. M. O'NEILL 2 4647538, "the destructive device consisted of a CO2 cartridge 3 containing powder with a fuse entrapment attached to it and 4 shrapnel consisted of nails and bbs." 5 If I am understanding your argument, Mr. LaTona, your point is, even if you have a device that clearly is 6 7 explosive in nature, is homemade and has shrapnel in it, that the Government still has to prove that there is no legitimate 8 9 use for this device. 10 MR. LATONA: That's the *Posnjak* case. That's what 11 Posnjak said. That is the law in the Circuit and has been the 12 law. 13 THE COURT: I'm not reading Posnjak the same way. 14 MR. LATONA: Oh. 15 THE COURT: Posnjak was dealing with, first of 16 all, a device that wasn't a destructive device, it was a 17 component of a destructive device. 18 MR. LATONA: But it discussed the statute, it 19 discussed the legislative history and concluded that Congress 20 only attempted to prohibit items that had no legitimate use. 21 And they even addressed the issue of an explosive device, and 22 what they said there was it had to -- it had to be the essence
- 24 Court in the *Bond* decision that I cited, when they talk about

of military ordinance. I mean, when we look to the Supreme

25 -- and that was the chemical weapon case where the Feds

1 USA V. M. O'NEILL 2 prosecuted that lady for using those chemicals, here is what 3 the Supreme Court said in Bond: "More to the point, the use of 4 something as a weapon, typically connotes an instrument of 5 offensive or defensive combat." Webster's 3rd, and then they 6 cite that, or, "an instrument of attack or a defense in combat 7 as a gun, missal or sword." That is the Supreme Court of the United States. 8 9 THE COURT: But your argument, taken to its 10 logical conclusion, would be that any time a defendant proffers 11 any reason that he possess an item that is of a destructive 12 nature, whether it is to remove a tree stump or whatever, that 13 then the Government somehow has a burden to come forward and 14 prove that in fact he could not be using this? 15 MR. LATONA: That's exactly what the law is in the 16 Second Circuit, Judge. 17 THE COURT: And you are concluding that that is 18 the law in the Second Circuit based on Posnjak? 19 MR. LATONA: On Posnjak and the statute. We have 20 to remember one thing. There is a statutory exclusion, and 21 inviting your Honor's attention to 26 U.S.C. Section 5845(f) 22 which defines destructive device. Here is what Congress put in 23 the statute. "The term destructive device shall not include 24 any device which is not designed or redesigned for use as a 25 weapon. Now, when we have a statutory exclusion, if we are at

1 USA V. M. O'NEILL 2 a trial, they have to disprove it beyond a reasonable doubt. I 3 think for purposes of detention, and for purposes of an 4 appropriate indictment, they have to offer some proof in that 5 area, because, again, getting back to Posnjak and the clear 6 language of the statute, if it's not designed as a weapon, it's 7 not prohibited. That is what the Circuit said in Posnjak, that is what Congress said in the statute. 8 9 THE COURT: Mr. Pimentel, what do you say to Mr. 10 LaTona's argument that is the burden that the Government has? 11 MR. PIMENTEL: Judge, the Government's burden at 12 this point is not proof beyond a reasonable doubt. We have 13 already indicted the case. The grand jury saw sufficient 14 evidence to return an indictment and they did so. 15 indictment is presumed to be regular. That is sufficient under 16 the detention statute for the Court to proceed and determine detention. 17 18 THE COURT: But separate and apart from the 19 reasonable doubt standard, what about Mr. LaTona's argument 20 that on this detention issue, the Government has an affirmative 21 obligation to essentially rebut the defendant's proffered 22 reason for why he had this explosive device. 23 MR. PIMENTEL: He has no authority for that.

only case he cites for that proposition is a case involving

improper restriction of cross examination at trial.

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- 2 far down the road from where we are right now. He simply has
- 3 no authority for that proposition.
- 4 THE COURT: Is the Government proffering -- I
- 5 mean, I have looked at the criminal complaint and I have in
- front of me the exhibits that were used in front of Judge
- 7 Scott, is the Government contending that all of these items are
- 8 able to be exploded. I mean, particularly, the one I am
- 9 looking at is Government Exhibit 3, which is powder with nails.
- 10 MR. PIMENTEL: I mean, at this point, we have only
- 11 indicted the one.
- 12 THE COURT: So when you say you have only indicted
- the one, what do you mean?
- 14 MR. PIMENTEL: The one, I think it is Government's
- 15 Exhibit 3.
- 16 THE COURT: The one that says "powder with nails"?
- MR. PIMENTEL: Right.
- 18 THE COURT: And, in particular, the one that I am
- 19 looking at is indicted that in fact it was a destructive
- device.
- 21 MR. PIMENTEL: A destructive device.
- MR. LATONA: I'm sorry.
- THE COURT: Go ahead.
- 24 MR. LATONA: Judge, I think he is wrong, I cited
- 25 more than one case. Reindeau was a case under cross

1 USA V. M. O'NEILL 2 examination, but under Posnjak and the statutory exclusion, 3 that is what I am relying on. Now, Judge, with all due respect 4 to the Government, and I think my application for your Honor, I 5 didn't ask for disclosure of the grand jury minutes to me, I 6 asked it for your Honor. And he cited a section that I didn't rely on because clearly you have the power, without disclosing 7 8 it to the defense, to examine the grand jury minutes in 9 connection --10 THE COURT: Do you have any authority for the 11 notion that you would go and look at the grand jury minutes in 12 connection with the detention hearing? 13 MR. LATONA: Sure. There are a number of dismissals in this district by district judges where that 14 15 exactly happened, Judge. And I am inviting your attention, 16 Judge, United States vs. Acquest, Judge Skretny's decision, 932 17 F. Supp. 2d 453, in which there was an examination of the 18 presentation to the grand jury and the indictment was dismissed 19 for misconduct, certain evidence was brought in that shouldn't 20 have been brought in. Judge Arcara's --21 THE COURT: But that didn't have anything to do 22 with a detention hearing, just based on what you just said. 23 MR. LATONA: Well, that had to do with the 24 validity of an indictment, and here is my position --25 THE COURT: So I guess that is where I am

1 USA V. M. O'NEILL 2 confused, Mr. LaTona, because I understand you filed a motion, 3 I know it's not an appeal, but you filed a motion seeking me to 4 reverse Judge Scott's detention order, and then in that motion 5 you have an argument about the disclosure of grand jury minutes, but I am not reading this as a motion to dismiss the 6 7 indictment based on insufficient evidence presented or evidence presented to the grand jury or insufficient instructions or 8 9 lack of instructions. 10 MR. LATONA: We're not there yet. That motion is 11 coming. 12 THE COURT: But see, that is where --13 MR. LATONA: But --14 THE COURT: Let me finish. 15 MR. LATONA: Fine. THE COURT: That's where I am confused because all 16 17 of a sudden in this motion that has been filed with respect to 18 a detention issue, you have argument in there about disclosure 19 of grand jury minutes. And it's not clear to me what authority 20 you are relying on that the Court, if the Government has 21 proffered evidence in support of detention, would nonetheless 22 go behind the indictment and view the grand jury minutes to 23 determine whether or not there should be detention. 24 MR. LATONA: Well, no, no, whether there is a

valid charge. As he just argued --

USA V. M. O'NEILL 1 2 THE COURT: So, but that is my point. Let me 3 If you are questioning whether or not there is a valid 4 charge, then why aren't you moving to dismiss the indictment or 5 seeking by formal motion to disclose the grand jury minutes? 6 MR. LATONA: Well, I think it relates to detention insofar that if we don't have a valid indictment, then what is 7 the basis to even detain my client? And we have had judges 8 9 here look beyond it, because here is my position --10 THE COURT: You think judges here look beyond it 11 even in connection with a detention issue? 12 MR. LATONA: Not detention, but as to the validity 13 of an indictment. When they said there is a presumption, well 14 we can get around it, and quite frankly, my view is this, 15 Judge, if they didn't present evidence that this item could be 16 used for a legitimate use, if they didn't instruct the grand 17 jury on the Staples decision of the Supreme Court, if they 18 didn't fashion instructions under Posnjak and the statutory 19 exclusion, the grand jury was not allowed to properly do its 20 independent duty, which has been found by other judges in here, 21 in Buffalo, albeit not on detention issues but other issues 22 regarding presentment to the grand jury. And the authority for 23 it is, look it, Rule 6 says you are empowered to do it on any 24 judicial proceeding. You are not limited --25 THE COURT: Even if I denied your motion, though,

- 1 USA V. M. O'NEILL 2 at this point, that that would somehow act as law of the case 3 then and preclude you from raising this issue further down 4 about the disclosure of the grand jury minutes. 5 MR. LATONA: No, because I would move under a different section. 6 THE COURT: But if I decided, based on the face of 7 the indictment, that it is sufficient and rejected your 8 9 argument in that regard, you don't think that that would 10 jeopardize your ability to make this argument later on in the 11 case? 12 MR. LATONA: Well, I hope not. I mean, I quess 13 two things could happen. I would hope the Court would keep an 14 open mind, and, of course, not saying it would happen, but 15 whatever you do here is reviewable in New York City by the 16 Second Circuit, so, I mean, I just don't know. But when they 17 say I have a valid indictment, it's presumed to be all fine and 18 good, well, that opens up an opportunity for me to say, well, I 19 think the Court should look at it to see if the instructions to 20 this jury comported with Supreme Court law, Second Circuit law, 21 and the statute itself. 22 THE COURT: Mr. Pimentel, does the government agree with Mr. LaTona that at some point the government has to
- agree with Mr. LaTona that at some point the government has to prove that there was no legitimate use for this device as part of its affirmative obligation in proving this charge?

1 USA V. M. O'NEILL 2 MR. PIMENTEL: Well, yes, that's in the statute, 3 the legitimate use. But that is an issue for the jury to 4 ultimately decide. 5 THE COURT: And they could find that based on circumstantial evidence and evidence found at the scene and 6 7 other paraphernalia and so forth? MR. PIMENTEL: Right. And Judge Scott considered 8 9 the evidence as it was presented to him, decided in the first 10 instance, yeah, looking at this, I don't see any legitimate 11 use, therefore the charge, I think, is valid to go forward and 12 sufficient to detain on. 13 THE COURT: Would the Government need expert 14 evidence to prove that there was no legitimate reason? 15 MR. PIMENTEL: Judge, I don't know about that. I 16 don't know if I can admit to that at this point. Perhaps, But 17 I just don't know the answer to that, that at trial, we would 18 need expert testimony. 19 THE COURT: Okav. 20 MR. LATONA: Lastly, Judge, I did bring the Bond, 21 Supreme Court decision in Bond to your Honor's attention about 22 the chemical weapons and what not. And the way I look at it, 23 particularly in light of New York State having adopted its own 24 statutes, that we have a federalism issue here in terms of

whether this case should even be in federal court.

1 USA V. M. O'NEILL 2 THE COURT: I quess, yeah, explain to me your 3 argument about that. 4 MR. LATONA: Judge, yeah, I think it was pretty 5 ground breaking in the Bond decision. Basically there is a 6 treaty that arose, I think after the Iran/Iraq war prohibiting 7 the use of chemical warfare. We signed the treaty. A statute 8 was passed based on that treaty. There was a women who got 9 upset at her husband's lover and she planted some of these 10 chemicals in and around the post office box and things like 11 that. Prosecuted in state court. The Feds indict under the 12 section 229. The issue the defendant constantly raised was 13 this is an issue of the state's police power and not a federal 14 matter. It went all the way to the Supreme Court, which said, "that's correct." Under concepts of federalism and the Tenth 15 16 Amendment, which basically says, any right not specifically 17 surrendered to the Federal Government by the states, is 18 reserved under the states. Now, I know he cited the Dodge case that raised 19 20 the constitutionally challenge to the statute, but it's totally 21 off the mark. Even in Bond, the Supreme Court did not 22 invalidate the statute, basically what it said is this: 23 we will authorize the federal government to intrude into a 24 matter within the state police power, there would have to be a 25 specific declaration by Congress that this is what they

1 USA V. M. O'NEILL 2 intended to do. I quess the perfect example of this, Judge, 3 would be we in New York have a statute on explosives, but let's 4 say Utah doesn't, where they haven't, as a matter of police 5 policy, set up this type of situation. So you can have a case 6 where maybe this statute is fine there but not fine here. And 7 certainly wasn't in the Bond decision and so there is a concept of federalism, I think that should be considered. 8 9 THE COURT: But that, again, sounds to me as 10 though an argument that you would make support of a motion, 11 perhaps, to dismiss an indictment. MR. LATONA: Certainly. 12 13 THE COURT: You are raising it, though, at the 14 detention level, and you are expecting that I would resolve 15 that issue before determining whether or not the government would be able to detain the defendant. 16 17 MR. LATONA: By raising it, I hope you look at it. 18 Whether you predicate your decision on it, is up to you. 19 THE COURT: Okay. Anything else, Mr. LaTona? 20 MR. LATONA: That's it. 21 THE COURT: Mr. Pimentel? 22 MR. PIMENTEL: No, your Honor. 23 THE COURT: All right. Anything, Officer 24 Middlebrooks, from Probation?

PROBATION: No, Judge.

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2	THE COURT: Okay. I will reserve and issue a
3	decision hopefully very soon.
4	MR. LATONA: Thanks, Judge.
5	THE COURT: Thank you. Everybody have a nice day
6	* * *
7	CERTIFICATE OF REPORTER
8	
9	I certify that the foregoing is a correct transcript of the
L 0	record of proceedings in the above-entitled matter.
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